



OPEN MEETING AGENDA ITEM

Arizona Community Action Associat



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AZ CORP COMMISSION
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Bob Stump, Chairman
Gary Pierce, Commissioner
Brenda Burns, Commissioner
Susan Bitter Smith, Commissioner
Bob Burns, Commissioner

Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007-2996

Arizona Corporation Commission
DOCKETED

JAN 14 2014

RE: **Docket No. G-01551A-13-0170**

Dear Chairman Stump and Commissioners:

DOCKETED BY

Since the inception of the Low-Income Energy Conservation (LIEC) program, Arizona Community Action Association has been working with Southwest Gas and our Community Action Agencies to ensure that low-income community members receive the assistance they need with their gas bills. Throughout our partnership, Community Action Agencies have been serving Southwest Gas customers who are low-income and unable to pay their gas bill. Unfortunately, when the program was first established, there was no allocation of administrative funding for those entities, which rely on a variety of other program funds, including other utility funds, to serve Southwest Gas customers. Funding for most of their programs has seen drastic reductions over the past few years, which affects agency capacity. While agencies have continued to sustain this program, it would be appropriate that they receive modest administrative support, consistent with how other utility programs operate to continue to effectively and efficiently serve their customers.

A joint study by the National Energy Assistance Directors' Association and the AARP Public Policy Institute¹ found that 1,152 deaths in the United States can be attributed to cold-related causes annually, and that "lower socioeconomic status is associated with a greater risk of temperature-related death, particularly for older adults." At the beginning of life, LIHEAP, the Low Income Home Energy Assistance Program, was seen to be able to prevent undernutrition and hospitalization in children less than three years old.² A household's energy burden negatively impacting nutrition can be seen among older residents as well.³

¹ Lynne Page Snyder & Christopher A. Baker, *Affordable Home Energy and Health: Making the Connections*, 2010(5), available at http://neada.org/wp-content/uploads/2013/02/aarp_neada_report_affordable_home_energy_and_health_june_2010.pdf (last visited Jan. 13, 2014).

² DA Frank et al., *Heat or eat: the Low Income Home Energy Assistance Program and nutritional and health risks among children less than 3 years of age*, Department of Pediatrics, Boston Medical Center, available at <http://www.ncbi.nlm.nih.gov/pubmed/17079530> (last visited Jan. 13, 2014).

³ Supra at 1. "Older residents in low-income households of the northern United States are more likely to go hungry in late winter, while similar households in the South are more likely to go hungry in late summer, reflecting the costs of heating and cooling."

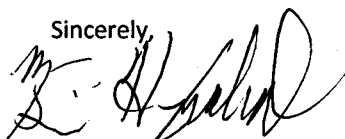
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Because LIHEAP has not kept pace with the current need,⁴ utility programs such as Southwest Gas's LIEC are leveraged along with other assistance funds to provide relief and support to financially vulnerable utility customers. And the program has performed well, helping thousands of people afford to keep their homes comfortable and safe and avoid making critical tradeoffs between such items as fuel and food or rent. Through all of this, the Community Action Agencies that provide assistance through this program have not been provided funding to cover their administrative costs. There is a lot of effort involved in administering fuel assistance funding – identifying clients, verifying eligibility, providing funding, reporting on the program – which is currently uncovered by LIEC. These costs ultimately hinder the ability of the agencies to provide assistance, resulting in money being left on the table and community members going unserved.

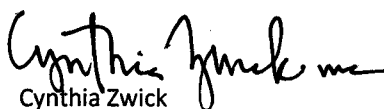
By endorsing the proposal made by Southwest Gas to provide administrative funding to the Community Action Agencies who provide bill assistance, you're compensating hard-working Arizonans for their service to the community and better-equipping the agencies to provide assistance to families in need.

Thank you for your consideration.

Sincerely,



Kevin Hengehold
Energy Program Director
Arizona Community Action Association



Cynthia Zwick
Executive Director
Arizona Community Action Association

⁴Arizona's poverty rate is at 19%. (Valorie H. Rice & Marshall J. Vest, *Poverty Measures Rank Arizona Poorly*). With 969,007 residential customers (Southwest Gas 2012 Annual Report), 184,000 customers would fall below the poverty line in Southwest Gas's service area.